

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Chongqing Iron & Steel Company Limited **重慶鋼鐵股份有限公司**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1053)

OVERSEAS REGULATORY ANNOUNCEMENT **ANNOUNCEMENT ON UNUSUAL MOVEMENTS IN A SHARES** **TRADING**

This announcement is made by Chongqing Iron & Steel Company Limited (the “**Company**”) pursuant to the Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTICE:

- The increase in the closing prices of the A shares of the Company deviated by more than 20% for three consecutive trading days on 16 June, 17 June and 18 June 2020 on a cumulative basis, which falls within the circumstances of unusual movements in shares trading according to the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.
- After an internal investigation by the Company and written enquiries with the controlling shareholder and the de facto controller of the Company, the Company confirms that, as of now, there is no material discloseable information which remains undisclosed by the Company.
- The Company’s current production and operation are normal and there is no major change in the market environment or industry policy. Investors are advised to make prudent decisions and pay attention to investment risks.

I. PARTICULARS OF UNUSUAL MOVEMENTS IN SHARES TRADING

The increase in the closing prices of A shares of the Company deviated by more than 20% for three consecutive trading days on 16 June, 17 June and 18 June 2020 on a cumulative basis, which falls within the circumstances of unusual movements in shares trading according to the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

II. THE COMPANY'S CONCERN AND VERIFICATION ON RELEVANT MATTERS

(I) Production and Operation

After conducting an internal investigation, the Company confirms that its current production and operation are normal. There are no major changes in the market environment or industry policy. There is no material discloseable information which may cause unusual movements in share prices but remains undisclosed by the Company.

(II) Significant Events

After an internal investigation by the Company and written enquiries with the controlling shareholder and the de facto controller of the Company, the Company confirms that, as of now, the Company, its controlling shareholder and de facto controller do not possess any material discloseable information which remains undisclosed, including but not limited to proposed significant events involving the Company such as material assets reorganisation, issuance of shares, acquisition, debt restructuring, business restructuring, asset stripping, asset injection, share repurchase, equity incentives, bankruptcy reorganisation, major business cooperation as well as introduction of strategic investors.

(III) Media Coverage, Market Rumours and Hot Topics

The Company is not aware of any media coverage or market rumours which should be clarified or other significant events that may have a material impact on the trading prices of the Company's shares.

(IV) Other Price-sensitive Information

As verified by the Company, the controlling shareholder and the de facto controller of the Company as well as the directors, supervisors and senior management of the Company did not sell or purchase the shares of the Company during the unusual movements in the share price of the Company. There is no need to supplement or correct the information disclosed previously by the Company.

III. STATEMENT OF THE BOARD OF DIRECTORS AND UNDERTAKINGS OF THE RELEVANT PARTIES

The board of directors of the Company confirms that the Company does not have any undisclosed matters which should be disclosed pursuant to relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange or any planning, negotiation, intention and agreement relating to such matters, nor is the board of directors aware of any information which has not been disclosed but should be disclosed pursuant to relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and may have a material impact on the trading prices of the shares of the Company and their derivatives. There is no need to correct or supplement the information disclosed previously by the Company.

IV. RELEVANT RISK WARNING

(I) Secondary Market Trading Risks

The increase in the closing prices of the A shares of the Company deviated by more than 20% for three consecutive trading days on 16 June, 17 June and 18 June 2020 on a cumulative basis. The Company's current production and operation are normal and there is no material discloseable information which remains undisclosed by the Company. Investors are advised to pay attention to secondary market trading risks.

(II) Operational Risk

In the first quarter of 2020, the Company produced 1,508,200 tonnes of iron, 1,640,900 tonnes of steel and 1,580,800 tonnes of steel products, representing a year-on-year increase of 1.92%, 4.60% and 6.02%, respectively. However, due to the increases in the prices of raw materials such as ore, coal, alloy and scrap steel, as well as the decrease in the selling price of steel, the Company recorded operating income of RMB5,178,323,000 and net profit of RMB4,173,000 for the quarter, representing a year-on-year decrease of 2.44% and 97.23%, respectively. The Company vigorously pushed ahead with its management reform, efficiency enhancement, cost improvement and product mix optimization measures, and achieved significant breakthrough in reducing costs of production processes, lowering process costs of RMB84,350,000. The Company has made overall arrangements for the prevention and control of the COVID-19 epidemic and the conduct of its operating activities in a bid to maintain stable production and minimize the impact of the epidemic on its business operations.

(III) Other Risks

The designated media for information disclosure of the Company include the website of the Shanghai Stock Exchange, and China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily. The information of the Company published on the above designated media shall prevail. Investors are advised to exercise caution and beware of investment risks.

By order of the Board
Chongqing Iron & Steel Company Limited
Meng Xiangyun
Secretary to the Board

Chongqing, the PRC, 19 June 2020

As at the date of this announcement, the Directors of the Company are: Mr. Zhou Zhuping (Non-executive Director), Mr. Song De An (Non-executive Director), Mr. Zhang Shuogong (Non-executive Director), Mr. Li Yongxiang (Executive Director), Mr. Tu Deling (Executive Director), Mr. Wang Li (Executive Director), Mr. Xu Yixiang (Independent Non-executive Director), Mr. Xin Qingquan (Independent Non-executive Director) and Mr. Wong Chunwa (Independent Non-executive Director).